

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2003**

	September-03					August-03				July-03				Current Fiscal YTD	Prior Year FY03	3 Years Ended 6/30/2003	5 Years Ended 6/30/2003
	Market Value	Allocation Actual	Quarter Policy	Month Net ROR	Month Net ROR	Market Value	Allocation Actual	Quarter Policy	Month Net ROR	Market Value	Allocation Actual	Quarter Policy	Month Net ROR	Net ROR	Net ROR	Net	Net
LARGE CAP DOMESTIC EQUITY																	
<i>Structured Growth</i>																	
LA Capital	54,433,606	4.5%	4.5%	N/A	-1.83%	55,397,416	4.6%	4.5%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	N/A	40	0.0%	0.0%	N/A	26,332,951	2.2%	2.3%	3.55%	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	54,433,606	4.5%	4.5%	6.61%	-1.83%	55,397,456	4.6%	4.5%	4.88%	26,332,951	2.2%	2.3%	3.55%	6.61%	-1.48%	-20.46%	-5.64%
<i>Russell 1000 Growth</i>				3.92%	-1.07%				2.49%				2.49%	3.92%	2.93%	-21.55%	-5.04%
<i>Structured Value</i>																	
LSV	56,852,843	4.7%	4.5%	3.33%	-0.97%	57,208,807	4.7%	4.5%	3.10%	55,342,548	4.7%	4.5%	1.20%	3.33%	-2.05%	9.06%	3.95%
<i>Russell 1000 Value</i>				2.06%	-0.98%				1.56%				1.49%	2.06%	-1.02%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>																	
LA Capital	55,020,114	4.6%	4.5%	2.87%	-1.14%	55,619,057	4.6%	4.5%	2.41%	54,117,228	4.6%	4.5%	1.61%	2.87%	1.08%	N/A	N/A
<i>Russell 1000</i>				3.00%	-1.02%				2.03%				1.99%	3.00%	0.96%	N/A	N/A
<i>Enhanced S&P 500 Index</i>																	
Northern Trust	51,778,887	4.3%	4.5%	2.50%	-1.08%	52,314,265	4.3%	4.5%	1.86%	51,181,066	4.3%	4.5%	1.73%	2.50%	0.28%	N/A	N/A
Strong	53,231,843	4.4%	4.5%	2.89%	-0.72%	53,582,989	4.4%	4.5%	2.28%	52,234,243	4.4%	4.5%	1.33%	2.89%	3.30%	N/A	N/A
Westridge	56,514,305	4.7%	4.5%	2.65%	-1.05%	59,557,515	4.9%	4.5%	1.94%	58,263,005	4.9%	4.5%	1.77%	2.65%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	161,525,035	13.4%	13.5%	2.68%	-0.96%	165,454,770	13.7%	13.5%	2.02%	161,678,314	13.7%	13.5%	1.61%	2.68%	1.35%	N/A	N/A
<i>S&P 500</i>				2.64%	-1.06%				1.95%				1.76%	2.64%	0.24%	N/A	N/A
<i>S&P 500 Index</i>																	
State Street	36,694,194	3.0%	3.0%	2.64%	-1.06%	37,080,435	3.1%	3.0%	1.94%	63,414,631	5.4%	5.3%	1.77%	2.64%	0.31%	-11.14%	-1.58%
<i>S&P 500</i>				2.64%	-1.06%				1.95%				1.76%	2.64%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	364,525,793	30.3%	30.0%	3.02%	-1.13%	370,760,524	30.7%	30.0%	2.43%	360,885,671	30.5%	30.0%	1.72%	3.02%	0.49%	-9.68%	-2.32%
<i>S&P 500</i>				2.64%	-1.06%				1.95%				1.76%	2.64%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY																	
<i>Manager-of-Managers</i>																	
SEI	126,781,889	10.5%	10.0%	9.68%	-1.40%	135,173,888	11.2%	10.0%	4.83%	128,912,989	10.9%	10.0%	6.11%	9.68%	0.68%	N/A	N/A
<i>Russell 2000 + 200bp</i>				9.60%	-1.68%				4.75%				6.43%	9.60%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	126,781,889	10.5%	10.0%	9.68%	-1.40%	135,173,888	11.2%	10.0%	4.83%	128,912,989	10.9%	10.0%	6.11%	9.68%	0.68%	-3.37%	-0.65%
<i>Russell 2000</i>				9.07%	-1.85%				4.58%				6.26%	9.07%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY																	
<i>Large Cap - Core</i>																	
State Street	50,017,192	4.2%	4.0%	6.08%	-0.09%	49,857,735	4.1%	4.0%	3.19%	48,309,018	4.1%	4.0%	2.91%	6.08%	-9.96%	-13.28%	-4.72%
<i>MSCI EAFE - 50% Hedged</i>				6.58%	0.41%				2.77%				3.28%	6.58%	-11.24%	-14.65%	-4.18%
<i>Large Cap - Active</i>																	
Capital Guardian	121,648,049	10.1%	10.0%	7.45%	-0.29%	121,481,307	10.1%	10.0%	3.23%	117,627,835	9.9%	10.0%	4.39%	7.45%	-11.30%	-14.96%	0.47%
Bank of Ireland	23,146,777	1.9%	2.0%	2.64%	1.95%	22,601,378	1.9%	2.0%	-0.25%	22,681,221	1.9%	2.0%	0.94%	2.64%	-10.28%	N/A	N/A
Total Large Cap - Active	144,794,826	12.0%	12.0%	6.65%	0.06%	144,082,685	11.9%	12.0%	2.67%	140,309,056	11.9%	12.0%	3.82%	6.65%	-11.12%	-14.58%	0.74%
<i>MSCI EAFE - 50% Hedged</i>				6.58%	0.41%				2.77%				3.28%	6.58%	-11.24%	-14.65%	-4.18%
<i>Small Cap - Active</i>																	
Lazard	26,522,836	2.2%	2.0%	10.66%	5.60%	25,936,054	2.2%	2.0%	3.26%	25,142,888	2.1%	2.0%	1.48%	10.66%	-2.32%	N/A	N/A
Wellington	27,825,562	2.3%	2.0%	17.22%	7.06%	25,928,329	2.1%	2.0%	4.71%	24,744,521	2.1%	2.0%	4.57%	17.22%	5.97%	N/A	N/A
Total Small Cap - Active	54,348,397	4.5%	4.0%	13.94%	6.33%	51,864,384	4.3%	4.0%	3.98%	49,887,410	4.2%	4.0%	3.06%	13.94%	1.75%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				15.95%	5.70%				6.30%				3.20%	15.95%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	249,160,415	20.7%	20.0%	8.04%	1.33%	245,804,804	20.4%	20.0%	3.05%	238,505,483	20.2%	20.0%	3.47%	8.04%	-8.22%	-12.63%	-0.99%
<i>MSCI EAFE - 50% Hedged</i>				6.58%	0.41%				2.77%				3.28%	6.58%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY																	
<i>Capital Guardian</i>	69,341,678	5.8%	5.0%	14.62%	1.99%	69,706,044	5.8%	5.0%	6.39%	65,519,495	5.5%	5.0%	5.63%	14.62%	7.15%	-10.61%	1.62%
<i>MSCI Emerging Markets Free</i>				14.23%	0.73%				6.71%				6.26%	14.23%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME																	
<i>Core Bond</i>																	
Western Asset	9,813,527	0.8%	0.9%	-0.47%	3.29%	8,162,644	0.7%	1.0%	1.30%	8,057,410	0.7%	0.9%	-4.88%	-0.47%	13.42%	11.88%	8.58%
<i>Lehman Aggregate</i>				-0.15%	2.65%				0.66%				-3.36%	-0.15%	10.39%	10.07%	7.54%
<i>Active Duration</i>																	
WestAM (Criterion)	9,699,747	0.8%	0.9%	-0.40%	2.91%	8,089,564	0.7%	1.0%	0.59%	8,042,180	0.7%	0.9%	-3.78%	-0.40%	9.93%	9.39%	6.85%
<i>Lehman Aggregate</i>				-0.15%	2.65%				0.66%				-3.36%	-0.15%	10.39%	10.07%	7.54%
<i>Index</i>																	
Bank of ND	15,583,901	1.3%	1.0%	-0.73%	3.15%	13,351,913	1.1%	1.0%	0.55%	13,246,644	1.1%	1.0%	-4.28%	-0.73%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	8,664,626	0.7%	0.7%	1.43%	0.47%	8,839,009	0.7%	0.7%	0.48%	8,850,842	0.7%	0.7%	0.48%	1.43%	5.83%	5.84%	5.85%
Total Index	24,248,527	2.0%	1.8%	-0.21%	2.49%	22,190,922	1.8%	1.8%	0.53%	22,097,486	1.9%	1.8%	-3.15%	-0.21%	10.77%	10.08%	7.44%
<i>Lehman Gov/Credit</i>				-0.50%	3.17%				0.66%				-4.19%	-0.50%	13.15%	10.82%	7.83%

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	September-03					August-03				July-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Month		Market Value	Allocation	Month		Market Value	Allocation	Month		Fiscal YTD	FY03	Ended	Ended
		Actual	Policy	Net ROR	Net ROR		Actual	Policy	Net ROR		Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2003	6/30/2003
																Net	Net
Convertibles																	
TCW	9,984,713	0.8%	0.9%	1.84%	0.17%	9,361,405	0.8%	1.0%	0.93%	9,268,432	0.8%	0.9%	0.75%	1.84%	10.37%	-9.08%	N/A
First Boston Convertible Index				2.67%	0.56%				1.64%				0.45%	2.67%	15.35%	-3.81%	N/A
BBB Average Quality																	
Strong	9,899,987	0.8%	0.9%	0.16%	3.97%	8,397,359	0.7%	1.0%	1.02%	8,311,464	0.7%	0.9%	-4.64%	0.16%	14.81%	10.35%	N/A
Lehman BBB				0.27%	3.97%				0.98%				-4.49%	0.27%	18.33%	9.91%	N/A
Timberland																	
Evergreen (Wachovia)	18,287,910	1.5%	1.5%	-0.15%	-0.05%	17,383,724	1.4%	1.4%	-0.05%	17,376,309	1.5%	1.5%	-0.05%	-0.15%	12.50%	N/A	N/A
																N/A	N/A
TOTAL DOMESTIC FIXED INCOME	81,934,410	6.8%	7.0%	0.11%	1.90%	73,585,618	6.1%	7.0%	0.59%	73,153,280	6.2%	7.0%	-2.34%	0.11%	11.62%	6.95%	6.77%
Lehman Aggregate				-0.15%	2.65%				0.66%				-3.36%	-0.15%	10.39%	10.07%	7.54%
HIGH YIELD BONDS																	
Western Asset	80,212,870	6.7%	7.0%	1.99%	2.25%	78,448,732	6.5%	7.0%	1.56%	77,244,994	6.5%	7.0%	-1.79%	1.99%	20.04%	2.51%	4.15%
Lehman High Yield Bond Index				2.77%	2.73%				1.15%				-1.10%	2.77%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																	
International Sovereign																	
UBS Global (Brinson)	28,349,039	2.4%	2.5%	3.18%	6.41%	25,919,126	2.1%	2.5%	-0.54%	26,089,365	2.2%	2.5%	-2.51%	3.18%	18.20%	8.47%	5.93%
Citigroup Non-US Gov't Bond Index (1)				2.75%	6.38%				-0.85%				-2.59%	2.75%	17.91%	8.10%	6.29%
International Core																	
Brandywine	27,744,819	2.3%	2.5%	1.51%	5.26%	25,643,280	2.1%	2.5%	-1.05%	25,904,912	2.2%	2.5%	-2.54%	1.51%	N/A	N/A	N/A
Lehman Global Aggregate (ex-US)				2.76%	6.45%				-0.90%				-2.59%	2.76%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	56,093,858	4.7%	5.0%	2.34%	5.84%	51,562,406	4.3%	5.0%	-0.80%	51,994,277	4.4%	5.0%	-2.52%	2.34%	17.83%	8.36%	5.86%
Citigroup Non-US Gov't Bond Index (1)				2.75%	6.38%				-0.85%				-2.59%	2.75%	17.91%	8.10%	6.29%
REAL ESTATE																	
JMB	26,405			-8.75%	6.55%	24,781			-14.36%	37,739			0.00%	-8.75%	-18.62%	-5.76%	0.42%
INVESCO	59,194,948			0.37%	-0.82%	61,391,237			0.60%	61,326,479			0.60%	0.37%	8.15%	8.00%	7.69%
J.P. Morgan	49,346,053			2.43%	0.99%	48,860,800			0.95%	48,400,921			0.46%	2.43%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE	108,567,406	9.0%	9.0%	1.36%	0.06%	110,276,819	9.1%	9.0%	0.77%	109,765,138	9.3%	9.0%	0.53%	1.36%	7.97%	7.69%	9.00%
NCREIF TOTAL INDEX				2.09%	0.69%				0.69%				0.69%	2.09%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS																	
Brinson IVCF III	902,791			13.02%	10.04%	1,145,235			0.00%	1,145,249			2.72%	13.02%	-16.94%	3.23%	52.67%
Coral Partners V	10,226,565			-6.88%	0.00%	10,200,368			0.00%	10,200,368			-6.88%	-6.88%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	532,012			-15.67%	0.00%	530,649			0.00%	530,649			-15.67%	-15.67%	-28.36%	N/A	N/A
Coral Partners VI	1,664,603			-12.18%	0.00%	1,660,339			0.00%	1,660,339			-12.18%	-12.18%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,866,448			4.07%	4.07%	1,788,791			0.00%	1,788,791			0.00%	4.07%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,305,853			0.98%	0.98%	2,277,566			0.00%	2,277,566			0.00%	0.98%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	3,707,426			0.67%	0.67%	3,673,198			0.00%	3,673,198			0.00%	0.67%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	1,275,982			0.43%	0.43%	1,267,305			0.00%	1,267,305			0.00%	0.43%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	863,431			12.21%	12.21%	767,523			0.00%	767,523			0.00%	12.21%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	83,586			-3.58%	-3.58%	86,469			0.00%	86,469			0.00%	-3.58%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,262,624			6.32%	6.32%	1,245,411			0.00%	1,245,411			0.00%	6.32%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,553,647			2.82%	2.82%	1,200,037			0.00%	1,200,037			0.00%	2.82%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	848,452			7.50%	7.50%	787,228			0.00%	787,228			0.00%	7.50%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,173,907			3.71%	3.71%	1,129,005			0.00%	1,129,005			0.00%	3.71%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	76,355			-0.05%	-0.05%	76,199			0.00%	76,199			0.00%	-0.05%	N/A	N/A	N/A
Brinson BVCF IV	6,162,420			-1.02%	0.00%	6,146,627			0.00%	6,146,627			-1.02%	-1.02%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	12,527,940			0.00%	0.00%	12,495,847			0.00%	12,495,847			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	1,760,703			0.00%	0.00%	819,568			0.00%	819,568			0.00%	0.00%	-12.50%	N/A	N/A
Hearthstone MSII	2,379,785			5.06%	5.06%	3,145,238			0.00%	3,145,322			0.00%	5.06%	28.98%	13.57%	N/A
Hearthstone MSIII	297,332			N/A	N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	51,471,862	4.3%	5.0%	-0.68%	1.39%	50,442,605	4.2%	5.0%	0.00%	50,442,702	4.3%	5.0%	-2.04%	-0.68%	-9.74%	-10.93%	4.40%
CASH EQUIVALENTS																	
Northern Trust STIF/STEP	15,341,860	1.3%	2.0%	0.35%	0.13%	20,525,879	1.7%	2.0%	0.11%	26,459,666	2.2%	2.0%	0.11%	0.35%	1.84%	3.33%	4.22%
90 Day T-Bill				0.25%	0.10%				0.08%				0.07%	0.25%	1.52%	3.33%	4.07%
TOTAL FUND	1,203,432,040	100.0%	100.0%	4.70%	0.49%	1,206,287,319	100.0%	100.0%	2.41%	1,182,883,696	100.0%	100.0%	1.74%	4.70%	2.28%	-4.66%	1.45%
POLICY TARGET BENCHMARK				4.22%	0.45%				2.08%				1.64%	4.22%	1.63%	-6.15%	0.99%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.